

429379

OCT 4 1951

Mr. James Lay
Executive Secretary
National Security Council
Washington 25, D. C.

Dear Mr. Lay:

I am writing to advise you of a National Estimate we propose to undertake, which seems to us needed in the light of recent discussions in the various committees of the National Security Council concerning the exception of the Western European members of NATO from the provisions of Section 1302.

As you know we fully concur in the action of the Council in this matter. We feel that the document supporting this action raised certain intelligence questions that are not yet satisfactorily answered within the Government relating to the relative strategic importance to the East and the West of the presently existing level of East-West trade. It is in the hope of answering some, at least, of these questions that we are undertaking a National Estimate on this subject.

Much information has been accumulated bearing on these issues by the Department of Commerce, the Economic Cooperation Administration, the Department of State, and the other agencies participating in the studies of the East-West Trade Committee. We feel that enough information and analysis is not available to make possible an over-all intelligence evaluation of the favorable and unfavorable consequences for National Security of a further planned reduction in this trade.

As is our usual practice, our Office of National Estimates will seek the cooperation of other agencies with special knowledge of this field in the preparation of the estimate.

Sincerely,

Allen E. Dulles
Deputy Director

AD/RR:MFK:at

Distribution:

Approved For Release 1999/09/27 : CIA-RDP79-01157A000200020005-9-2698

Signer

2

Adm. Files

1

AD/RR

2✓

OCT 4 1951
APR 9 1951
CIA-RDP79-01157A000200020005-9-2698